

## **INQUIRY INTO LAND VALUATION SYSTEM**

**Organisation:** Louise Developments Pty Ltd

**Name:** Mr Greg Mailman

**Date Received:** 2/03/2013

Tel: [REDACTED] Brookvale 2100

E-mail: [REDACTED]

Fax [REDACTED]

**Mr. Matt Kean MP**

Chair of Joint Standing Committee On the Office of the Valuer General  
Parliament House Sydney

**Date:** 1/3/2013

Dear Sir,

**Re: Inquiry Into The Land Valuation System**

I have been made aware of the above inquiry and would seek to make the following submission.

I am a qualified Valuer of some 35 years standing, I am also a member of the Australian Property Institute as well as a qualified Land Economist.

Included in my portfolio are well over [REDACTED] worth of properties so I believe that I am more than qualified to submit my views to you given my yearly Land Tax bill is in excess of [REDACTED]

The current system is unwieldy, inefficient and discriminatory.

Not only does the method of calculating the rating base appear flawed it would put it to you that it fails at every level to meet best practices as individual properties are not inspected, a mass approach is adopted and such a valuation methodology I suggest is illegal. Elementary principles dictate that at it's lowest level the role of the Valuer is to inspect the property! I am also minded to believe that the current level of taxation has been set on a "politically acceptable" basis.

Putting all of that to one side I would also submit to you that the objection process is confusing, perhaps deliberately so, to a point where I would suggest that a layman would have great difficulty in understanding the objection system and being able to lodge a meaningful objection that can successfully raise pertinent issues.

The LPI's staff do not understand valuation principles and are unhelpful.

I can happily give you specific instances of difficulties encountered if that is of use.

By way of demonstration of a typical issue I note that if a property is held as a trustee situation then no threshold applies whereas if it is held as a corporate or individual situation then the threshold does apply. This can mean the difference of \$8,200 between entities. This is hardly fair nor transparent. I suggest that the Committee should go to a grass roots level where it can investigate whether a wider, more fairly based system of taxation is appropriate.

# Louise Developments Pty. Ltd.

---

It seems to me that Land Tax in NSW as it currently exists calls for a minority of landowners to pay the majority of Taxes raised. This is having the effect of discouraging investment within NSW, particularly in the low value residential market. I say this as I have for instance one residential property where the Land Tax is 16.8 percent of total income received and I have another where the same ratio is 15.6 percent – hardly an inducement to invest!

When one compares this with say the sharemarket where no taxes are levied, one can easily spot the obvious investment preference that we are being forced by legislation to embrace.

Sadly we need investment in low income housing and we need it now!

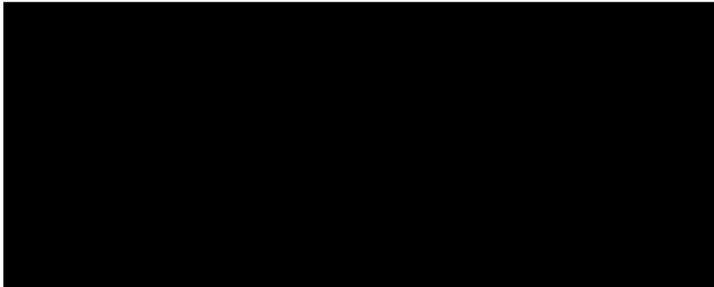
It seems to me that a proper review can put forward a more streamlined, fairer solution that rather than discourages investment in our State it promotes it.

I would be most happy to meet with the Committee (or individual members) to give further examples where I see failings in the current system and can put suggestions as to how it could be changed to stimulate our economy rather than suffocate it.

I would also be quite prepared to become part of a working committee to assist in correcting the system

Should you have any queries please do not hesitate to contact me.

Yours faithfully,

A large black rectangular redaction box covering the signature area.

Greg R. Mailman.

AAPI

Registered Valuer 